

WOKING BOROUGH COUNCIL CAPITAL STRATEGY

1.0. Introduction

1.1. This Capital Strategy sets out how the Council's capital investment contributes to the achievement of its objectives. It is one of the key policy documents of the authority and forms a framework for operational strategies and service plans.

1.2. The Strategy explains:

- what the Council's corporate objectives are;
- who its key partners are;
- how the Council is working corporately and with others to achieve corporate, cross-cutting outcomes;
- how the Council's new investment is prioritised;
- how the investment will be monitored and evaluated.

2.0. Vision

2.1. The Community Strategy provides the vision for the Borough and describes the sort of place that our stakeholders want Woking to be. The Council's own Vision and Values are about articulating how it wants to be whilst responding to the aims and objectives of the Community Strategy.

2.2. Commitments supporting the Council's vision "Towards Tomorrow Today" include:

Serving the public	Our customers and community are the focus of what we do
Communicating well	We will be approachable and regularly inform people about what is going on, we will listen to people's views and take them into account when making decisions
Delivering Quality	We will embrace the highest standards, strive for excellence, foster partnership working and focus on sustainable outcomes
Managing ourselves	We will be a good employer, use our resources cost effectively, manage change positively, explore new ways of working, empower people and value their achievements
Thinking innovatively	We will be an outward looking and forward thinking authority, looking for opportunities and taking the lead in developing new ideas
Learning & Developing	We will learn from the good practice of others and from our own experience

2.3. It is against these commitments that the Capital Strategy has been drafted.

3.0. The Council's Partners

3.1. The Council already works closely with community groups, tenants, registered social landlords, businesses, other local authorities, health authorities and government agencies in order to make the best use of all the resources in the area to achieve individual service

and cross-cutting outcomes. The views of the community are also expressed through user groups, focus groups and the Citizens' Panel.

3.2. Working corporately and with its partners, the Council has been able to set in train a number of projects which will have far reaching benefits for the whole community. These include:

- Climate change - working with the private sector the Council has developed a combined heat and power facility for the town centre. A fuel cell in Woking Park has been installed in conjunction with the private sector, the DTI and the United States Department of Energy and has been successfully operating for a number of months. The Council has been awarded the Queen's Award for Enterprise in recognition of its groundbreaking approach to sustainable energy and the steps it has taken locally to combat global warming and has also been awarded Beacon status for its work towards sustainability. The Council has also set up subsidiary companies to further the Council's energy and environmental objectives. Thameswey Energy Limited was established to build, finance and operate plant for the production of electricity, heat and cooling services in Woking and Thameswey Central Milton Keynes has been established to build a Combined Heat and Power energy station in Milton Keynes.
- Transport - the Council is working with other agencies to establish Woking as a Transport/Rail Hub.
- Housing - the Council has a long record of working closely with other agencies, private and voluntary bodies, including housing associations to achieve a co-ordinated response to housing need. Currently it has in hand a PFI bid for the provision of 165 units of affordable housing and has set up a Housing Company, also to facilitate new affordable housing.
- Health – the Council has worked closely with local health trusts in the provision of general practitioner surgeries in Knaphill, Sheerwater, Maybury and West Byfleet .
- Voluntary organisations – Woking has a strong and extensive voluntary sector and assists a number of organisations with capital and revenue
- Culture and entertainment – working with the Ambassadors Theatre Group for the provision of theatres and cinemas. The quality of service provision and facilities were considered to be 'good' with 'promising prospects for improvement' by the Audit Commission when it scrutinised the Council's Cultural Services.
- Social Inclusion – working with statutory, voluntary and community organisations support is targeted to the most disadvantaged areas of the borough notably Maybury and Sheerwater and Lakeview within Goldsworth Park.
- The Lightbox - the Council is working with The Lightbox, a private sector organisation to provide a museum and arts and crafts centre in the town centre and will be contributing towards the capital investment.
- The YMCA – the Council has worked with the YMCA to provide a drop in centre aimed at young people – the Y-Pod centre – based at Hollywood House. The Council has provided capital funding for this project.

Capital Strategy and Asset Management Plan

- Town Centre – A Joint Management Committee representing the Council and local businesses has been established and is responsible for service delivery in the Town Centre.
- Emergency Planning – an electronic government pathfinder project is being undertaken with Surrey County Council and the other district councils in Surrey.
- The Council has worked with partners on other electronic government projects which further the use of technology in the provision of services.
- Building on existing relationships, the Executive has agreed formal collaboration between the Council and the County Council, local PCT and Police Authority on the use of assets.

3.3. The Local Strategic Partnership brings together the different parts of the public sector as well as the private, business, community and voluntary sectors to identify the community's top priorities and needs and to work with local people to address them. The LSP is tackling key issues for local people - such as social inclusion, sustainable communities and maintaining the vitality of the Borough the Council. The partners are:

Woking Borough Council
Surrey County Council (to include the Fire Service)
Surrey Heath and Woking Primary Care Trust
Surrey Police
Community Learning Partnership
Business (Woking Chamber of Trade and Commerce) to represent all business groups/types
Woking Association of Voluntary Services
Government Office of the South East (GOSE)

4.0. Community Strategy

- 4.1. The Council has prepared, through the Local Strategic Partnership, a Community Strategy for delivering the needs and aspirations of the community of Woking. The Community Strategy informs internal planning processes such as the Service and Performance Plan, Borough Plan, Housing Strategy, Health Plan Community Safety Strategy as well as the Capital Strategy. The community planning process incorporates consultation directly with the community through workshops and the citizens' panel and by engaging with particular interest groups. A mid-term review of the Community Strategy was carried out in 2005/06. The revised version has been approved by the Executive for recommendation to Council in July.
- 4.2. In the context of the Local Government Act 2000 and in furtherance of the Community strategy, the Council approved in December 2002 a Climate Change Strategy for Woking that promotes sustainable development and well being, seeks reductions of CO2 equivalent emissions, and adapts to a changing climate.
- 4.3. The Council has developed policies and allocated funds for improvements in play areas, skate parks, a town centre youth facility and for grant aid to a number of youth related organisations. The Youth Council is proving a great success and we continue to work with partners to further enhance facilities for young people.

5.0. Corporate working

5.1. The Council's management structure continues to encourage networking by service heads, with a Management Team providing strategic direction.

6.0. The Investment Programme

6.1. The Investment Programme is developed as part of the Business Planning process during the autumn and approved in February. The planning process includes the detailed examination of corporate needs and priorities by a working group of Members. The Executive Committee receives the advice of the working group before determining its recommendations to Council. The working group keeps the Investment Programme under review during the year.

6.2. The Local Government Act 2003 and the associated Prudential Code introduced in April 2004 have removed some of the Governments direct controls over local authority borrowing and have provided new opportunities for developing dynamic Investment Programmes, subject to them being affordable, prudent and sustainable. The Council's Programme has been reviewed to make the most of these opportunities particularly with regard to the provision of affordable housing.

6.3. As a result of these changes, it is no longer beneficial to the Council to remain debt free and the revised Investment Programme will be largely funded from prudential borrowing.

6.4. In summary, the overall Investment Programme and its funding for the next three years is as follows:

	2006/07	2007/08	2008/09
	£'000	£'000	£'000
Capital Investment			
Provision of new homes	12,377	7,159	19,933
Other housing	7,520	5,558	5,243
General Fund Services	13,400	24,420	22,772
Total	33,297	37,137	47,948

	2006/07	2007/08	2008/09
	£'000	£'000	£'000
Capital Funding			
Capital receipts	3,797	3,036	799
Reserves/revenue	5,877	3,757	5,239
Borrowing	10,042	22,945	22,397
Housing Company	7,162	5,119	5,000
Other sources	6,419	2,280	14,513
Total	33,297	37,137	47,948

7.0. Drafting and monitoring the Investment Programme

7.1. The Investment Programme is the Council's development programme for the next 5 years expressed in monetary terms and forms part of the Corporate Plan. It consists of capital items and revenue items. Capital items are those that produce a tangible asset with a life of more than 1 year. All the other items are revenue. The Investment Programme is reviewed at least annually.

7.2. In summary, the process is as follows:-

- The need for an Investment Programme project is identified by officers and /or Members and a brief project mandate is prepared. The mandate enables the project

to be set-up on Work.Together (the Council's project management system) as pending and the detail can be progressed.

- An Investment Programme Working Group of Members, chaired by the Leader of the Executive, recommends priorities to the Executive.
- A Project Sponsor and Project Manager are appointed to the project. The Responsible Financial Officer acts as budget owner for all Investment Programme projects.
- The Project Manager completes Section 1 of the Project Workbook which services as a business case and is required to justify the existence of the project. This is approved by the Project Sponsor after seeking any other appropriate authority.
- Once approved the project is included in the Investment Programme.
- The Project Manager then completes Section 2 of the Project Workbook. This sets out the detail of the project and identifies the objectives, activities and resources required. It acts as the plan against which progress can be assessed.
- Having reviewed Section 2, the Responsible Financial Officer, under delegated authority, decides if funds can be released and the approval of Section 2 of the Project Workbook, acts as the release of funds and the project is made active.
- The Project is implemented in line with the Council's project management procedures (Section 3 of the Project Workbook) and progress is documented on Work.Together.
- Once the project is complete the project closure documents are completed in Section 4 of the Project Workbook. When these are signed off by the Project Sponsor the project will be classified as closed.
- On a regular basis, a monitoring report on the Investment Programme is given to all Council members and is publicly available. It is also reviewed by the Management Team and Service Heads.

7.3. The Investment Programme management arrangements were approved by the Executive in July 2004. Indicators established under the Prudential Code for Capital Finance in Local Authorities and which enable the affordability, prudence and sustainability of investment proposals to be assessed and monitored, were set by the Council in February 2005 and updated in February 2006.

8.0. Priorities

8.1. The use of capital resources are prioritised as follows:

- schemes that are essential to comply with Health and Safety or security obligations ;
- schemes that are essential to enable the Council to carry on its business with economy, efficiency and effectiveness, including achieving its Electronic Government Strategy;
- schemes that are for essential maintenance of assets;
- schemes that enable the Council to further the objectives of the Community Strategy;
- schemes that secure or enhance the income base;
- schemes that secure reductions in the cost base.

8.2 Prioritisation of the use of capital resources has regard to the Council's service priorities, as determined from time to time, and which are currently:

- Housing, including realisation of assets to fund service provision and provide resources for the delivery of affordable housing

- The environment, including delivering on the innovative environmental maintenance partnership and waste contract.
- Further developing the contribution that leisure makes to health and well-being and delivering the community and efficiency benefits potential in the (Best Value) improvement plans for the leisure centre and pools
- Developing the Council's view on growth, in relation to the Surrey Structure Plan
- Maximising revenue potential
- Developing external communications and engagement and capacity building

9.0. Best Value

- 9.1. Best Value reviews include a review of the occupation and operation of property used in the provision of the services being reviewed. Any future needs, disposal opportunities or improvements that are identified are included in the Improvement Plan, and the appropriate part of the Property Services Service Plan. The results are taken into account when future Investment Programmes are drafted.
- 9.2 Outcomes of reviews are evaluated and their achievements are monitored by Councillors through the Overview and Scrutiny Committee and Executive.

10.0. Procurement Strategy

- 10.1. The Council's Procurement Strategy was approved by the Council in July 2003:

"In making decisions about procurement/commissioning of all activities and carrying out its procurement functions at all levels, the Council will:

- **apply the principles of best value to all procurement** so as to achieve efficiency, effectiveness and value for money and continuously challenge current provision arrangements by comparison with best practice;
- **strive for continuous improvement** in quality, price and processes by researching and developing a detailed understanding of potential products and providers;
- **take a long term strategic view of procurement** including market development, the potential for innovative funding, the opportunities of cross service/agency working and e-commerce;
- **operate legally and to the highest ethical standards** having regard to European Union and United Kingdom law and the Council's standing orders, financial regulations and professional codes of conduct;
- **actively pursue and demonstrate fair and open competition** particularly where goods or services are to be sourced externally and that we will develop intelligent and mutually beneficial long term relationships with providers, where this is appropriate;
- **test our effectiveness** by monitoring 'whole life' outcomes of the procurement process and benchmarking performance against other authorities and private sector providers;
- **achieve a reputation for fairness** in the decision making processes, commissioning and award of contracts and by honouring responsibilities to providers and suppliers;
- **encourage environmentally advantageous products and services** by, where appropriate, working with providers to minimise the environmental and social impacts associated with products and services, with reference to the Council's environmental and sustainability objectives (e.g. the Climate Change Strategy);

- **support local business and economy** by, where possible and appropriate, encouraging a strong and diverse local economy to promote employment and life long learning opportunities;
- **develop procedures** which guide the procurement; and provide transparency of decision making and involve users in the process of identifying and realising their procurement needs; and
- **develop procurement competencies** by providing training and professional support to all people with responsibility for making procurement decisions and/or purchasing goods and services.”

10.2. The Council is further developing its procurement strategy as part of its Comprehensive Performance Assessment improvement plan.

10.3. The efficient procurement of goods and services is being aided by the development of electronic procure to pay processes, while project management is being improved through the use of the Work.Together software. The use of purchase cards has been introduced and is an efficient and effective way of procuring low value items.

11.0. The Council's approach to the Private Finance Initiative and to Public Private Partnerships

11.1. The Council has, and continues to, work closely with external bodies to achieve its objectives and has applied to the Office of the Deputy prime Minister for support for a project to build 165 affordable, rented “lifetime” houses in the Borough. The properties will provide housing opportunities to households who are unable to access the owner occupied and private rented sector in Woking and who look increasingly to the Council for help. The Council is preparing an outline business case which will be submitted to the Department for Communities and Local Government on 30 June 2006. Further PFI schemes will be considered if suitable projects are identified which provide value for money.

11.2. The Council actively promotes joint working and/or partnerships with the private sector, current examples of which are:

- Ambassadors (theatres and cinemas);
- American Amusements Ltd. (leisure complex);
- Housing Associations and developers (building new housing);
- IM Properties (Wolsey Place shopping centre);
- British Land (Peacocks shopping centre).
- Town Centre management
- Caring Day Care (Neighbourhood Nursery)

12.0. Additional Capital Resources

12.1. The Council bids for additional capital resources where they are available and where they are appropriate to the projects included in the Investment Programme e.g. capital grants for implementing electronic government. Where new sources become available to encourage new initiatives, the Council will give consideration to applying for them and revising its Investment Programme accordingly. The Council will maximise external funding by also seeking appropriate developers' contributions. New Investment has been made over recent years under the Single Regeneration Budget and lottery funds are

Capital Strategy and Asset Management Plan

applied for when appropriate. The Council continues to seek European funding with its twin towns for environmental projects and with its joint venture private sector partners e.g. for photo-voltaic installations (BP Solar) and waste (Hedeselskebet). The Council's policy continues to be to generate capital receipts through the disposal of surplus assets.

**WOKING BOROUGH COUNCIL
ASSET MANAGEMENT PLAN – CORE DATA**

The following tables set out financial and statistical information about the Borough of Woking as required by the “Single Capital Pot Guidance”.

1. Revenue Budget 2006/07

	£m
Gross revenue budget	80.4
Less specific grants and other income	<u>66.8</u>
Net budget requirement	13.6
Business Rates, Revenue Support Grant and Collection Fund Surplus	<u>6.4</u>
Amount to be met from Council Tax	<u>7.2</u>

2. Fixed Assets - Net book value at 31.3.06

	£m
Council Dwellings	258,572
Other Land and Buildings	68,360
Vehicles and Plant	6,474
Community Assets	2,256
Investment Properties	61,252
Assets Under Construction	<u>863</u>
TOTAL	<u>397,777</u>

3. and 4. – Number, Gross Floor Area (GIA), Type and Value of Assets across main service areas

	No.	GIA, M ²	Type	Value £million	Maintenance backlog £
Car Parks	16	133,673	Multi-storey and surface level	25.4	666,000
Community (includes former Leisure*	4	3,075	Community buildings, Leisure Centre, Pool, etc.	21.6	748,000
Corporate	3	9,949	Offices	14.6	350,000
Personnel	6	369	Non HRA houses	0.94	4,500
Cleansing	17	1,126	Public w.c., recycling centre	0.918	24,800
Non operational	17 3	N/a	Fishing rights, Town Centre retail, industrial, etc.	55.5	N/A

* excludes land not related to buildings.

Capital Strategy and Asset Management Plan

5. Investment Programme

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11 or later
	£'000	£'000	£'000	£'000	£'000	£'000
GENERAL FUND INVESTMENT						
Maintenance of Existing Asset Base:						
Current & Committed Projects	10,217	6,731	15,795	18,812	18,562	9,042
New Proposals	310	450	500	310	410	0
New Initiatives:						
Current & Committed Projects	3,987	630	700	1,300	50	2,050
New Proposals	120	5,045	7,425	2,350	200	4,220
Building Costs Contingency	619	544	0	0	0	0
Total General Fund Investment Programme	15,253	13,400	24,420	22,772	19,222	15,312
HOUSING INVESTMENT						
Provision of new homes	13,990	12,377	7,159	19,933	19,933	19,934
Other HIP Investment	15,702	7,520	5,558	5,243	4,771	2,320
Total Housing Investment Programme	29,692	19,897	12,717	25,176	24,704	22,254
Total Investment Programme	44,945	33,297	37,137	47,948	43,926	37,566

INVESTMENT PROGRAMME - FINANCING

	CAPITAL RECEIPTS	BORROWING	RESERVES AND REVENUE	HOUSING COMPANY	REGIONAL HOUSING BOARD	OTHER	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2005/2006	10,213	15,943	2,804	5,545	6,302	4,138	44,945
2006/2007	3,797	10,042	5,877	7,162	0	6,419	33,297
2007/2008	3,036	22,945	3,757	5,119	0	2,280	37,137
2008/2009	799	22,397	5,239	5,000	0	14,513	47,948
2009/2010	399	18,847	5,167	5,000	0	14,513	43,926
2010/2011 or later	399	14,937	7,716	0	0	14,514	37,566
TOTAL	18,643	105,111	30,560	27,826	6,302	56,376	244,818

The capital receipts shown in the table will be generated by the disposal of surplus land and right to buy sales (net of pooling).

6. Unsupported Borrowing

The Council's Capital Strategy includes provision for long term borrowing as set out in the above table.

7. Background information

The Borough of Woking covers 22 square miles. It mainly comprises a continuous urban area, centred on Woking town centre but stretching from Byfleet in the east to Knaphill in the West, surrounded by Green Belt countryside. The area of Green belt comprises around 60% of the Borough. The population of Woking is 89,840 (2001 Census information).

ISYS REF:REPORT-29/06/06-Capital Strategy and Asset Management Plan Appendix 1

